

**REMARKS/ARGUMENTS**

Claims 1 and 4-43 were pending in this application. According to the May 4, 2006 Final Rejection, claims 1 and 38-43 were rejected and claims 4-37 were withdrawn from consideration. We have amended claims 1 and 38-43, have cancelled claim 4-37, and have added new claims 44-62. Accordingly, claims 1 and 38-62 are under consideration. The amendments do not introduce any new matter.

**Summary of Claim Amendments**

We have amended independent claims 1 and 43 to recite particular embodiments that we, in our business judgment, have currently determined to be commercially desirable. We have also amended claim 43 to correct a minor typographical error as further discussed below. We have amended dependent claims 38-42 in view of the changes to claim 1, and have added new claims 44-62 to further protect desirable embodiments.

We will pursue the subject matter of the previously presented claims in one or more continuing applications.

**Rejection of Claim 43 under 35 U.S.C. § 112, Second Paragraph**

With respect to the rejection of claim 43 under 35 U.S.C. § 112, second paragraph, the Examiner has characterized the rejection of this claim as "incomplete for omitting essential elements". MPEP § 2172.01 states that a rejection for "a claim which omits matter disclosed to be essential to the invention" is to be made under 35 U.S.C. § 112, *first* paragraph. Accordingly, an essential matter rejection is a rejection for lack of enablement of the claimed invention, not indefiniteness, as indicated by the Examiner. (MPEP § 2172.01). Given the statement that claim 43 is "incomplete for omitting essential elements", we will proceed under the assumption that the rejection of claim 43 is in fact made under 35 U.S.C. § 112, *first* paragraph.

We respectfully submit that the Examiner has not made a *prima facie* case of lack of enablement under 35 U.S.C. § 112, *first* paragraph, due to omitting essential matter/elements. Specifically, to maintain such a rejection, the specification or other statements must describe elements as being essential to the invention. (MPEP § 2172.01). We submit that neither the specification nor other statements describe elements that are essential to the invention. In addition, the Examiner has failed to indicate what essential elements to the invention are missing. In particular, the Examiner has only stated that the omitted essential elements are

that claim 43 recites a “method claim” whereby the “steps of the claim are for a system claim.”

In view of the foregoing, we submit that claim 43 merely includes a minor typographical error, in other words, should recite an “apparatus” rather than a “method”, and that the Examiner’s rejection under 35 U.S.C. § 112, first paragraph, as omitting essential elements is thereby improper.

We have amended claim 43 to recite an “apparatus” rather than a “method”, thereby correcting the minor typographical error. In view of the foregoing, we respectfully request withdrawal of the Examiner’s rejection of claim 43 under 35 U.S.C. § 112, first paragraph.

### **Rejection of Claim 1 under 35 U.S.C. § 101**

The Examiner rejected previously presented claim 1 under 35 U.S.C. § 101 as “lack[ing] patentable utility.” We respectfully submit that the Examiner has not made a *prima facie* case under 35 U.S.C. § 101 with respect to previously presented claim 1 both because the Examiner’s rejection is unintelligible and because the Examiner failed to apply the proper test under 35 U.S.C. § 101. In addition, we submit that amended claim 1 satisfies 35 U.S.C. § 101.

Specifically, we submit that the Examiner’s rejection of previously presented claim 1 is unintelligible in that the Examiner indicated that the claim recites “generating scores”, “scoring”, “sub-scoring”, “useful information”, and “non useful information”, and that the claim is directed at a “political condition.” We note that neither previously presented claim 1, nor amended claim 1, recite any of these terms or are directed at “political conditions.”

We also submit that in rejecting previously presented claim 1, the Examiner failed to apply the proper test under 35 U.S.C. § 101. Specifically, the Federal Circuit has held that a claimed invention must produce a “useful, concrete, and tangible result” to satisfy 35 U.S.C. § 101. (see *State Street Bank v. Signature Financial Group* and *AT&T Corp. v. Excel Communications, Inc.*). Nonetheless, the Examiner appeared to indicate that in order for a claimed invention to satisfy 35 U.S.C. § 101, the claimed invention must not only produce a useful, concrete, and tangible result, the claimed invention must also recite “how [the result] is utilized” or must recite an application of a result in order to produce a useful result. We submit that the Examiner’s tests are incorrect. The Federal Circuit has held that a claimed invention by definition has a practical application if the claimed invention produces a “useful, concrete, and tangible result”.

The Examiner also appeared to indicate that for a claimed invention to have a concrete result, the claimed invention must be “repeatable”. First, we submit that the Federal Circuit has not held that for a claimed invention to have a concrete result, the claimed invention must be repeatable. Second, we submit that the Examiner has failed to indicate why previously presented claim 1 is not repeatable. Specifically, the Examiner has put forth reasons directed at the separating of “useful information” and “non useful information.” As indicated above, previously presented claim 1 does not recite such limitations. Accordingly, for the foregoing reasons, we submit that with respect to previously presented claim 1, the Examiner has failed to make a *prima facie* case under 35 U.S.C. § 101.

In addition, applying the proper test to amended claim 1, we submit that this claim satisfies 35 U.S.C. § 101. For example, we submit that amended claim 1 recites a useful, concrete, and tangible result in that the claim recites in part, “comparing the party’s credit ranking with each of the plurality of participants’ credit rankings to determine if the party has sufficient credit ranking to trade with each respective participant; and allowing trades between the party and a respective participant when the party has sufficient credit ranking to trade with the respective participant.” The present application clearly indicates that this is a useful, concrete, and tangible result.

**Rejection of Claims 1 and 38-43 under 35 U.S.C. § 103(a)**

The Examiner rejected previously presented claims 1 and 38-43 under 35 U.S.C. § 103(a) as being unpatentable over May, patent 6,317,727 (hereinafter May) in view of Tozzoli et al., patent 5,717,989 (hereinafter Tozzoli), in further view of “One-Sex-Only Clubs Come Under Attack Nationwide; D.C. Antibias Law Similar to Many Others”, by Rene Sanchez (hereinafter Sanchez). We respectfully submit that the Examiner has not made a *prima facie* case of obviousness under 35 U.S.C. § 103(a) with respect to previously presented claims 1 and 38-43. In addition, Applicants respectfully submit that neither May, Tozzoli, nor Sanchez, alone or in combination, teach, suggest, or disclose any of amended claims 1 and 38-43, and new claims 44-62.

Specifically, to establish a *prima facie* case of obviousness, the Examiner has the burden of showing, in part, that there is “some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings” and that the prior art references when combined “teach or suggest all the claim limitations.” (MPEP § 2143). With respect to previously presented claim 1 (and similarly, claim 43), the Examiner appeared to

indicate that while Tozzoli discloses “applying a third party qualification test to [[a]] participant,” Tozzoli does not disclose that this test “determines whether another participant that is qualified to trade in the electronic trading system qualifies the participant.” Here, the Examiner appeared to indicate that Sanchez discloses “determin[ing] whether another participant (a ... member) that is qualified to trade ... qualifies the participant ... to allow the new member to ... trade” and that it would be obvious to combine Tozzoli and Sanchez, thereby obviating the above limitation of claims 1 and 43.

We submit that contrary to the Examiner’s assertion, Sanchez does not teach, suggest, nor disclose “determin[ing] whether another participant (a ... member) that is qualified to trade ... qualifies the participant ... to allow the new member to ... trade”. Specifically, Sanchez is directed at “one-sex only membership” clubs, and the passing of “antidiscrimination legislation” to provide equal access to these clubs. Contrary to the Examiner’s assertion, Sanchez is not directed at trading, and does not teach, suggest, nor disclose trading between members/new members or the qualifying of new members to trade. While Sanchez appears to disclose the notion of a club member sponsoring a new member and that members of a club “chat”, chatting as disclosed by Sanchez is not trading, contrary to the Examiner’s assertion.

In addition, the Examiner appears to indicate that the suggestion or motivation to combine Tozzoli and Sanchez is to facilitate “sponsoring new trading members by existing members, which allows the new members to trade with existing trading partners.” As indicated above, Sanchez is not directed at trading and provides no such teachings. Accordingly, we submit that there is no suggestion or motivation present in any evidence of record to combine the teachings of Tozzoli and Sanchez.

In addition, even assuming, *arguendo*, that there is some suggestion or motivation to combine Tozzoli and Sanchez, the resulting combination does not obviate the above limitation of previously presented claims 1 and 43 in that Sanchez is not directed at trading nor the qualifying of new members to trade, as asserted by the Examiner.

We further submit that for the Examiner to rely on a reference as a basis for rejection of a claimed invention, the reference must be analogous prior art, or in other words, “the reference must either be in the field of applicant’s endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned.” (MPEP 2141.01(a)). Sanchez is neither in the field of our invention nor pertinent to the problem with which our invention is concerned in that Sanchez is completely divergent from trading and completely divergent from qualifying a participant to trade in an electronic trading system, as

indicated above. Furthermore, the Examiner has failed to indicate how Sanchez is in the field of our invention or how Sanchez is reasonably pertinent to the particular problem with which our invention is concerned. Accordingly, we submit that Sanchez is nonanalogous prior art and cannot form a basis for rejection of previously presented claims 1 and 43.

Accordingly, for the foregoing reasons, we submit that the Examiner has failed to show that the combination of May, Tozzoli, and Sanchez teach or suggest all limitations of previously presented claims 1 and 43, and similarly claims 38-42, which depend from claim 1, and as such, has failed to make a *prima facie* case of obviousness under 35 U.S.C. § 103(a) with respect to these claims.

In addition, we respectfully submit that neither May, Tozzoli, nor Sanchez, alone or in combination, teach, suggest, or disclose any of amended claims 1 and 38-43, and new claims 44-62. Specifically, amended independent claim 1 recites in part a method, comprising:

determining for each of a plurality of participants in the market a minimum credit ranking necessary to trade with each respective participant in the market; and

comparing the party's credit ranking with each of the plurality of participants' credit rankings to determine if the party has sufficient credit ranking to trade with each respective participant; and

disallowing trades between the party and a respective participant when the party has insufficient credit ranking to trade with the respective participant.

May discloses a trading system in which "each ... counterparty ... provides ... detailed credit preferences for each potential counterparty." Thereafter, the "credit preferences inputted by [a] counterparty with regard to [another] counterparty are referenced to determine the trade eligibility of either party with respect to the other for a particular financial transaction instrument." (May, column 5, lines 49-62; column 45, lines 45-65). Notably and contrary to claim 1, May does not teach, suggest, nor disclose that these credit preferences are the result of "*determining for each of a plurality of [counterparties] in the market a minimum credit ranking necessary to trade with each respective [counterparty] in the market; and comparing [a] party's credit ranking with each of the plurality of [counterparties'] credit rankings to determine if the party has sufficient credit ranking to trade with each respective [counterparty].*" In addition, we also note that while May appears to disclose that a counterparty may assign a "level" to a party and that a counterparty may be provided with "industry credit ratings" for a party, these levels and credit ratings are merely

“a quick reference of credit worthiness” for a counterparty and May does not teach, suggest, nor disclose the use of these levels and credit ratings in combination with “minimum credit rankings” as recited by claim 1. (May, column 27, line 55 to column 28, line 2). and

Tozzoli discloses a trading system for use by “buyers”, “sellers”, and “funders.” As disclosed by Tozzoli, a “buyer may ... purchase goods ... from one or more sellers” through the system, with these transactions being subject to “terms” established by the buyer and/or seller. Tozzoli further discloses that a buyer and seller’s “access to the system” is “supervised by a funder” that thereafter “guarantees payment for transactions ...between [a] buyer and a seller.” (Tozzoli, column 4, lines 50-55; column 5, line 46 to column 7, line 9). Notably, while a funder guarantees payments between a buyer and seller, Tozzoli does not teach, suggest, nor disclose a system where a buyer or seller (i.e., a party) trades with funders and as such, Tozzoli does not teach, suggest, nor disclose “*determining for each of a plurality of [funders] in the market a minimum credit ranking necessary to trade with each respective [funder] in the market; and comparing [a] party’s credit ranking with each of the plurality of [funders’] credit rankings to determine if the party has sufficient credit ranking to trade with each respective [funder],*” as claim 1 recites. Similarly, with respect to a given buyer and a plurality of sellers for example, Tozzoli does not teach, suggest, nor disclose “*determining for each of a plurality of [sellers] in the market a minimum credit ranking necessary to trade with each respective [seller] in the market; and comparing [a buyer’s] credit ranking with each of the plurality of [sellers’] credit rankings to determine if the [buyer] has sufficient credit ranking to trade with each respective [seller],*” as claim 1 recites.

As for Sanchez, as indicated above, this reference is completely divergent from Applicants’ invention. In addition, for the reasons set forth above, we submit there is no suggestion or motivation to combine the teachings of Sanchez with that of May or Tozzoli.

Accordingly, for the foregoing reasons Applicants submit that neither May, Tozzoli, nor Sanchez alone teaches, suggests, or discloses the above limitations of claim 1 and that the combination of these references thereby also fail to obviate claim 1. Accordingly, Applicants submit that May, Tozzoli, and Sanchez fail to teach, suggest, or disclose claim 1, in addition to claims 38-42 and 44-61, which depend there from.

Turning to amended independent claims 43 and 62, these claims recite limitations similar to claim 1 and as such, we submit that May, Tozzoli, and Sanchez also fail to teach, suggest, or disclose these claims for the same reasons set forth above for claim 1.

**Conclusion**

Since May, Tozzoli, and Sanchez fail to teach or suggest the present invention as now set forth in claims 1 and 38-62, we submit that these claims are clearly allowable. Favorable reconsideration and allowance of these claims are therefore requested.

We earnestly believe that this application is now in condition to be passed to issue, and such action is also respectfully requested. However, if the Examiner deems it would in any way facilitate the prosecution of this application, he is invited to telephone our undersigned representative at 212-294-7733.

Respectfully submitted,

/Glen R. Farbanish/

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Date

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